



Research

# TOP SINGLE-FAMILY HOUSING MARKETS



FALL  
2017

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- ◆ Five Hottest Single-Family Markets
- ◆ Single-Family Heat Map
- ◆ Single-Family Rankings
- ◆ Detailed Analysis of Top Five Markets

# EXECUTIVE SUMMARY



◆ **The US economy continues its expansion despite facing uncertainty in the policy, monetary, and geopolitical realms.** Despite some recent hurricane-related disruption, the labor market has averaged around 148,000 new monthly jobs in 2017, while unemployment remains tight in the low-4% range. Wage growth has been somewhat underwhelming, stabilizing in the mid-2% range year-over-year despite the possibility that these figures are being depressed by a wave of retirees. This is becoming a growing concern as the cost of housing continues to rise at a greater clip, limiting affordability prospects for many.

◆ **The US housing market is struggling to see sales progress amid historically tight inventory levels.** A firm labor market, rising wages, and low mortgage rates are keeping

homebuyer interest elevated, but a number of headwinds are limiting sales. With the inventory shortage intensifying competition among buyers, **prices are marching ahead at a solid clip, a boost for existing homeowners but a rising burden on affordability for potential buyers.** In addition to soaring student debt and relatively tight underwriting conditions, the potential for an uptick in mortgage rates could become another obstacle for buyers, while recent hurricanes could also curb some sales in the coming months. **The clash**

**between limited supply and a solid undercurrent of demand should continue producing some shakiness in US home sales.**

◆ **In this report Ten-X Research highlights the “hottest” major single-family markets based on current and expected future housing fundamentals, using a variety of measures.** Of the 50 largest US markets, the five currently sitting on the top of the rankings have displayed consistently strong demand, home price appreciation, and economic and demographic growth.

## TOP FIVE MARKETS: AT A GLANCE

Area	Annual Home Price Growth	Annual Home Sales Growth
San Antonio, TX	11.2%	2.6%
Fort Worth, TX	10.8%	2.5%
Dallas, TX	9.9%	2.7%
Columbus, OH	9.2%	1.6%
Tampa, FL	12.1%	1.8%



# FIVE HOTTEST SINGLE-FAMILY MARKETS



This report details the five single-family markets that earn the designation “hot”. These hot markets scored as the top five out of the 50 largest US housing markets in a process that gauges the strength of each single-family market across multiple measures, both current metrics and our expectations for the next several years. The five current hottest US single-family housing markets are:

**San Antonio, Fort Worth, Dallas, Columbus, and Tampa,** in that order.

◆ Texas remains a prominent force in our top rankings this quarter, as outstanding demographic and economic performance continues to drive double digit home price gains in San Antonio, Fort Worth, and Dallas. Homes remain very affordable despite recent gains, suggesting there is plenty of room for further growth, and these metros have also displayed very modest downside risk, portending a bright outlook for these markets in the coming years. While these three within our top five were not directly hit by Hurricane Harvey, already tight construction labor forces could mobilize to address rebuilding and repair needs in Houston, which could squeeze

new inventory and drive prices even higher. Columbus advanced six spots this quarter to return to our top five, as solid fundamentals have kept it hovering near the top of our ranks for some time now. Sales are elevated close to their pre-recession peak, while prices are rising at a healthy clip while maintaining strong affordability and have historically shown modest downside risk.

Though some Midwestern metros struggle with job and population growth, Columbus has outperformed the region on a consistent basis. Tampa's spot in the top five reflects the strong performance seen in many other Florida metros, as it emerged in the aftermath of a severe housing bust thanks to solid economic and demographic growth. The substantial drop in prices during the recession created incredibly affordable housing inventory, while prices should continue to grow as they have yet to even reach their pre-bust peak. Similar to the effects of Harvey, Hurricane Irma could tighten available construction labor and housing inventory, leading to substantial price gains in the near future.

◆ Ten-X Research regularly monitors the nation's largest 50 housing markets,

tracking metrics as varied as existing-home sales, existing home prices, affordability, and development activity. Additionally, we pay close attention to the economic and demographic dynamics in each of these metro areas, as single-family housing markets are naturally intertwined with the overall health of the local economy. Sales and pricing activity on our platform provides real-time insight into buyer demand and price appetite, particularly investors, who have been a key ingredient in this housing cycle. Combining the aforementioned past and current trends with our economic and demographic growth forecasts, we ranked each of the largest 50 metros. The five top rated markets display strongly rising home prices, favorable affordability, strong housing demand and excellent economic and demographic conditions for future demand. Rankings in the top 5-10 indicate a strong, healthy single-family market with good potential over coming years. A ranking closer to the bottom indicates poor current housing conditions; stagnant or declining home prices, subpar demand, and a weak outlook over the next few years.



# SINGLE-FAMILY HEAT MAP VISUALIZATION OF THE LARGEST US HOUSING MARKETS

Our heat maps are a visual depiction of the current situation and outlook for the each of the top US single-family markets. The boxes representing each major US metro are sized by population. The boxes are color coded from dark green=strongest to dark red=weakest. The overall coloration of the heat map provides an overview of the segment. The overall strength of the US housing market is reflected in the prevalence of green coloring throughout the map, though some regional discrepancies are beginning to emerge.

The importance of demographic and affordability trends continues to play out in our single-family heat map. The Southeast and Southwest remain solid thanks to strong population growth and largely affordable housing, while the Midwest and Northeast still suffer from weak demographic trends. The West is also sliding further as population gains slow and rising affordability concerns limit upside potential.

The Southwest remains covered in green coloration as fundamentals remain largely healthy amid continued economic growth and robust population gains. Despite the short term impact of Hurricane Harvey on Houston home sales, the added stress on shorthanded construction labor forces in the region should prompt sizeable price gains ahead. The Southeast also benefits from solid demographic and economic trends, remaining largely green after notching a few upgrades this quarter. Despite the perpetual struggles of Memphis, some risk in Miami, and general malaise in the suburban DC metros, the overwhelming majority of metros are performing well, including many in Florida. Similar to Houston and nearby Texas metros, some Florida metros could see a short term dent in sales paired with stronger price jumps as construction forces are stretched thin in the aftermath of Hurricane Irma. Though Boston and Philadelphia are holding up, the rest of the Northeast continues to grapple with poor demographics and lagging economic growth. The Midwest is now evenly split between red and green markets after a couple of upgrades this quarter, as some metros contend with marginal demographic and economic growth, while others boast healthier housing fundamentals. The West region is still deteriorating with three downgrades this quarter and barely half of its markets still in green. In addition to slowing population growth across California, affordability is becoming a major concern after years of steep price gains, which could halt further growth.

**The following pages highlight the “top five” single-family markets: their economic and demographic underpinnings and key housing fundamentals.**



# SINGLE-FAMILY RANKINGS FALL 2017



STRENGTH OF MARKET	
San Antonio	1
Fort Worth	2
Dallas	3
Columbus	4
Tampa	5
Orlando	6
Indianapolis	7
Austin	8
Nashville	9
Raleigh	10
Charlotte	11
Las Vegas	12
Fort Lauderdale	13
Palm Beach County	14
Atlanta	15
Jacksonville	16
Salt Lake City	17
Denver	18
Minneapolis	19
DC	20
Portland	21
Phoenix	22
Seattle	23
Sacramento	24
Cincinnati	25
San Diego	26
Detroit	27
Riverside	28
Kansas City	29
Boston	30
Houston	31
Oakland	32
Philadelphia	33
Suburban Maryland	34
Northern Virginia	35
Miami	36
Memphis	37
Pittsburgh	38
Cleveland	39
St. Louis	40
Milwaukee	41
Baltimore	42
Orange County	43
Long Island	44
Chicago	45
Northern New Jersey	46
Los Angeles	47
Cleveland	48
San Francisco	49
San Jose	50

ALPHABETICAL	
Atlanta	15
Austin	8
Baltimore	42
Boston	30
Central New Jersey	47
Charlotte	11
Chicago	45
Cincinnati	25
Cleveland	39
Columbus	4
Dallas	3
DC	20
Denver	18
Detroit	27
Fort Lauderdale	13
Fort Worth	2
Houston	31
Indianapolis	7
Jacksonville	16
Kansas City	29
Las Vegas	12
Long Island	44
Los Angeles	48
Memphis	37
Miami	36
Milwaukee	41
Minneapolis	19
Nashville	9
Northern New Jersey	46
Northern Virginia	35
Oakland	32
Orange County	43
Orlando	6
Palm Beach County	14
Philadelphia	33
Phoenix	22
Pittsburgh	38
Portland	21
Raleigh	10
Riverside	28
Sacramento	24
Salt Lake City	17
San Antonio	1
San Diego	26
San Francisco	49
San Jose	50
Seattle	23
St. Louis	40
Suburban Maryland	34
Tampa	5



# SAN ANTONIO, TEXAS



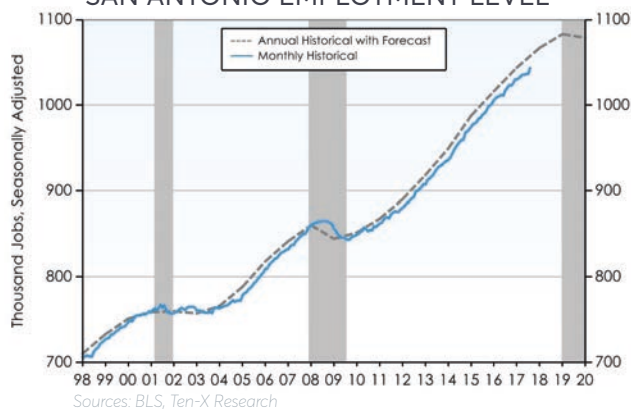
## ECONOMY

The San Antonio economy remains solid despite some cooling since early 2015. Payrolls are at an all-time high, now more than 20% beyond their prior peak and 2.3% higher than a year ago after adding jobs for 10 straight months. The sizeable government sector continues to see consistent annual gains in the upper-1% range, while the more volatile professional/business services sector is up a more considerable 3.7% from a year ago. Job growth in the financial services and leisure/hospitality sectors has slowed over the past year, though the construction sector has picked up some slack, emerging with 9.1% year-over-year growth after posting losses throughout much of 2016. Local unemployment recently slid to the low-3% range, a very tight level some 100 bps below the US rate. Metro demographic trends have been particularly strong, as San Antonio has notched at least 2% population growth for six straight years, including a 2% gain in 2016 that nearly tripled the national pace.

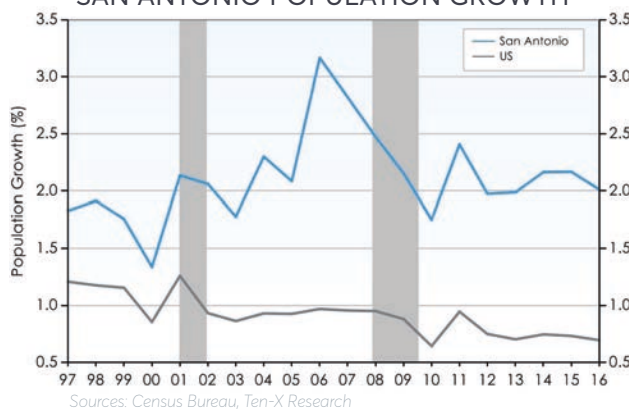
## SINGLE-FAMILY

San Antonio's housing market continues to impress, jumping to our top ranking this quarter. Home sales outpaced the US with a 2.6% year-over-year gain despite taking a step back from their cyclical high last quarter. Home prices rose an incredible 11.2% over the past year, nearly double the national average, surging to an all-time high some 36% above their prior peak. Homes remain very affordable in the metro despite their recent progress, and have historically shown less downside risk compared to the US, both positive signs for home price appreciation in the coming years. The metro's healthy population gains and economic forecast should continue to drive housing demand in the coming years, while the fallout from Hurricane Harvey could thin an already tight construction labor force and squeeze available housing inventory, prompting more substantial price gains.

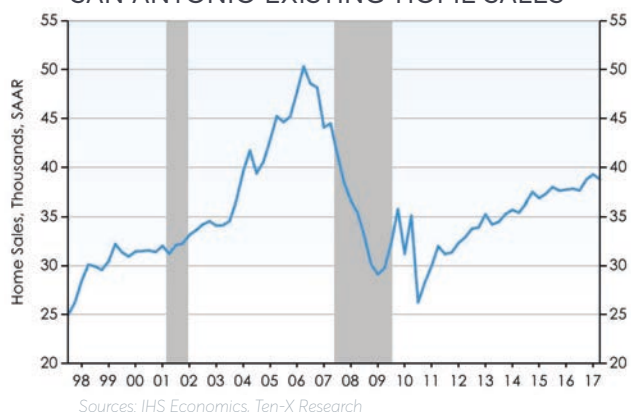
SAN ANTONIO EMPLOYMENT LEVEL



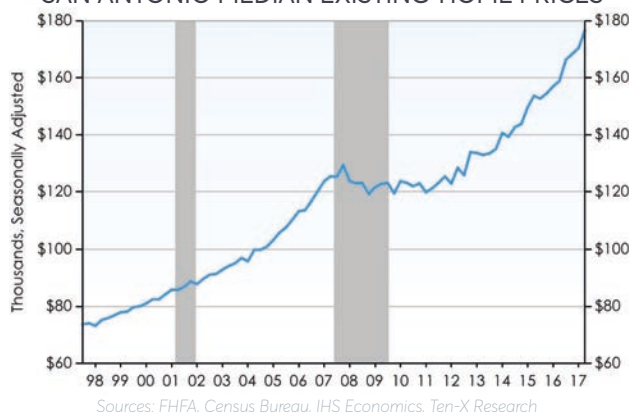
SAN ANTONIO POPULATION GROWTH



SAN ANTONIO EXISTING-HOME SALES



SAN ANTONIO MEDIAN EXISTING-HOME PRICES



# FORT WORTH, TEXAS

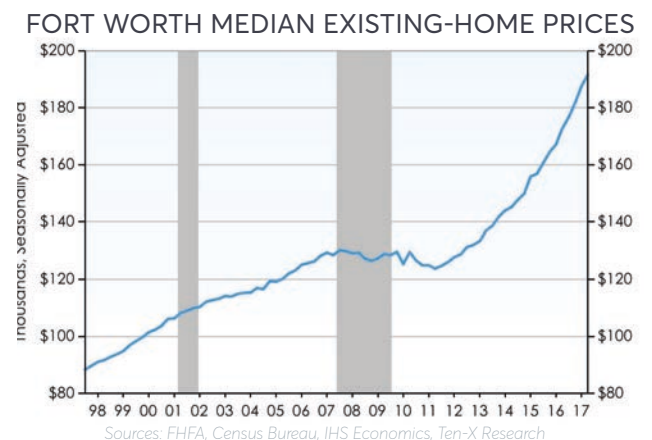
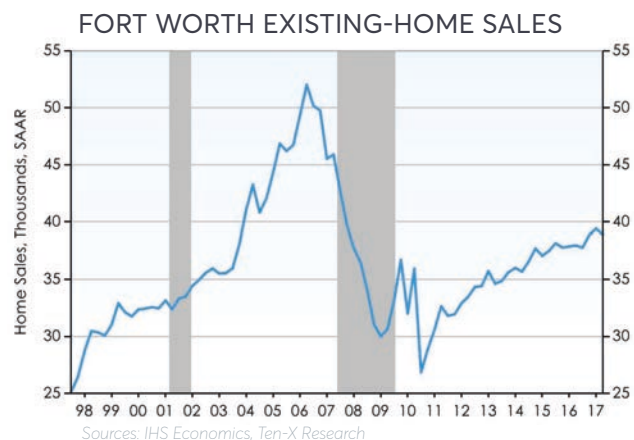
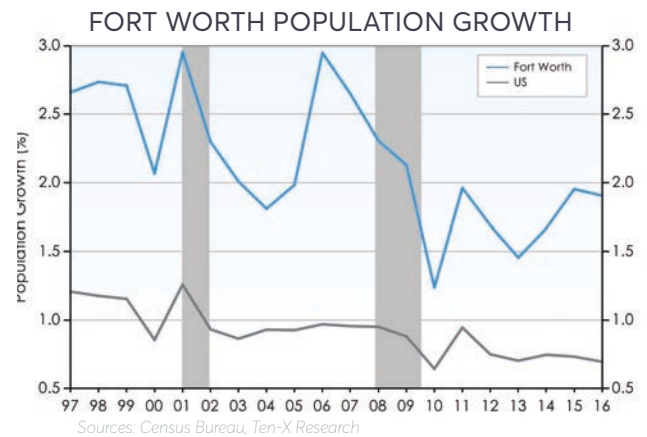
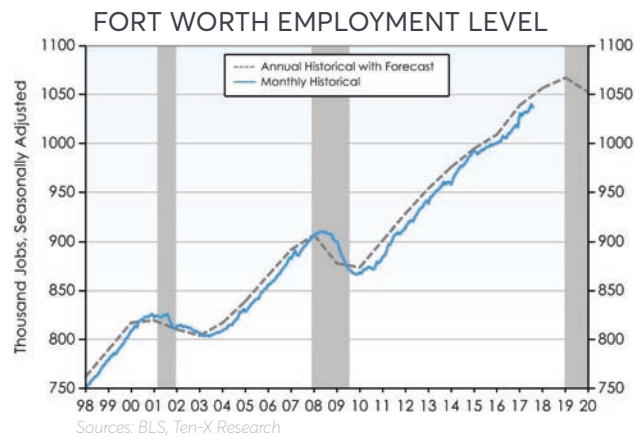


## ECONOMY

Fort Worth's economy has picked up some steam in 2017, with annual payroll growth accelerating more than 100 bps over the past year to the mid-2% range. This is reflected in some of Fort Worth's oversized sectors, as manufacturing has emerged from substantial losses a year ago to a 4% annual gain most recently, while leisure/hospitality has nearly doubled over the past year to the mid-5% range. Construction has been fairly inconsistent but continues to add jobs, while the sizeable government sector is holding steady with annual growth in the upper-1% range. Metro unemployment recently dipped to a tight 3.5%, some 50 bps lower than a year ago and nearly 100 bps below the national average. Fort Worth continues to benefit from robust demographic trends, posting an impressive 1.9% population gain in 2016 that more than doubled the US pace.

## SINGLE-FAMILY

Fort Worth's housing market remains white-hot. Home sales are gradually progressing, but nearly doubled the US pace with a 2.5% year-over-year gain this past quarter. Annual home price growth has outstripped the US since the start of 2014 and notched a 10.9% year-over-year increase this quarter, the metro's fifth straight double digit gain. Home prices are at an all-time high nearly 50% beyond their prior peak, but overheating has yet to become a concern as prices remain very affordable and have historically shown modest downside risk. Solid economic and population growth remain pillars for healthy demand in the coming years, which should continue to propel the local housing market. Additionally, as is the case with some other Texas metros, the aftermath of Harvey could ultimately tighten inventory and fuel an additional boost in home prices as competition amongst buyers intensifies.



# DALLAS, TEXAS



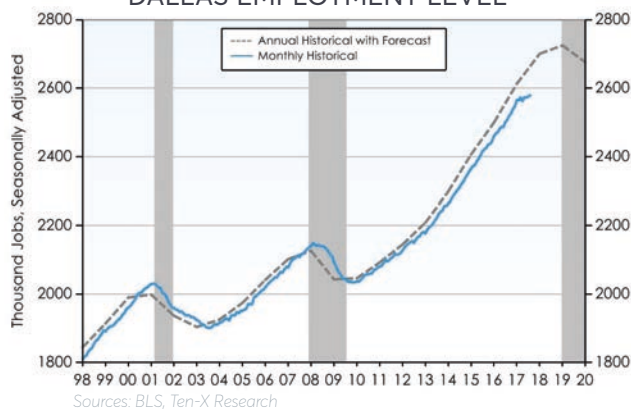
## ECONOMY

Dallas' economy has cooled over the course of 2017 but continues to expand at a solid clip. Metro payrolls are at an all-time high, up 2.9% year-over-year and 20% beyond their pre-recession peak. Though the metro's largest sector, professional/business services, remains firm with annual job growth in the upper-4% range, the slowdown is reflected in some of the metro's other oversized sectors. Information started seeing losses in recent months, while financial services and construction have cooled to annual gains between 2% and 3%. Nonetheless, metro unemployment has tightened to the mid-3% range, some 30 bps lower than a year ago and nearly 100 bps below the US level. Dallas also continues to benefit from superb population growth, tripling the national average with a 2.1% gain in 2016.

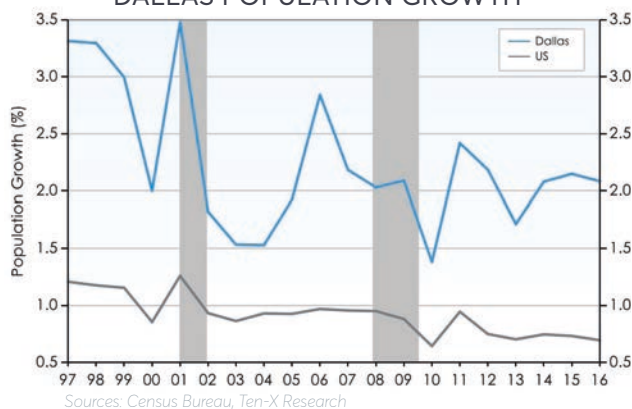
## SINGLE-FAMILY

Dallas' housing market continues its robust performance. Though home sales took a step back from their cyclical high last quarter, they are choppily progressing closer to prior peaks with a 2.7% year-over-year gain this quarter, more than double the US rate. Annual home price growth for Dallas has consistently outperformed the national average since 2011, posting a sizeable 9.9% year-over-year gain this quarter. Despite home prices rising to an all-time high more than 50% above their pre-recession peak, prices remain very affordable with room to grow and have shown very slight downside volatility. Dallas has seen a substantial run-up in permit activity in recent years, though it remains below prior peaks, and construction activity could be slowed as the labor force in Texas is strained by rebuilding efforts in Houston. Dallas' superior economic outlook and demographic trends should bolster demand in the coming years, while the effects of Harvey should further squeeze inventory and provide some additional lift to prices.

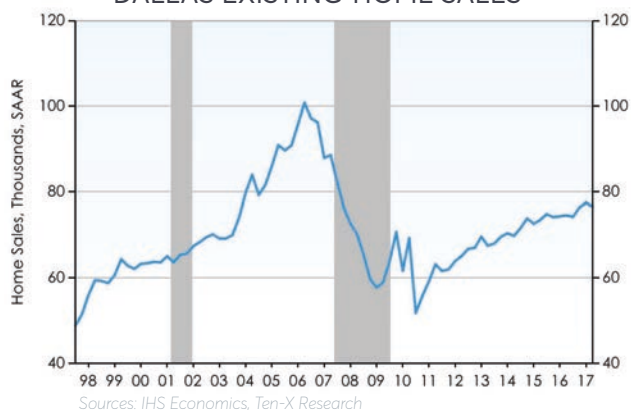
### DALLAS EMPLOYMENT LEVEL



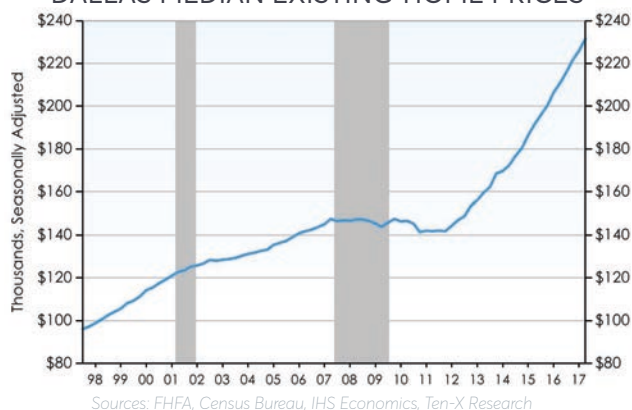
### DALLAS POPULATION GROWTH



### DALLAS EXISTING-HOME SALES



### DALLAS MEDIAN EXISTING-HOME PRICES



# COLUMBUS, OHIO

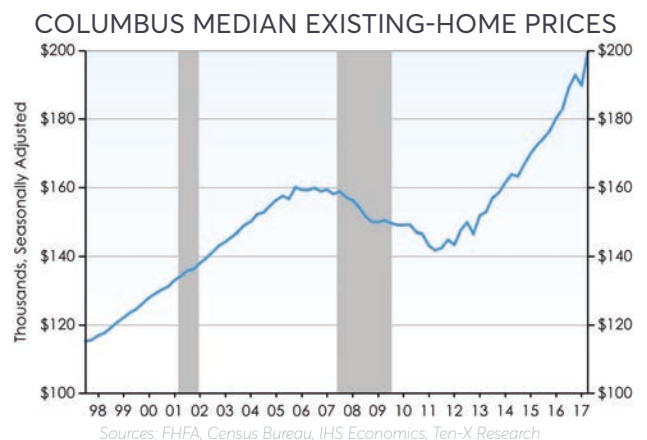
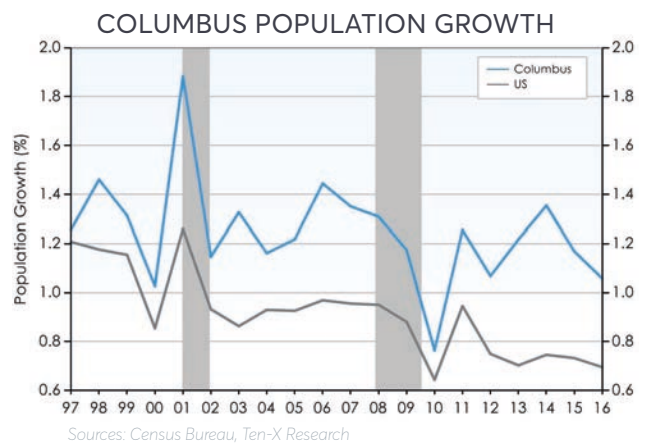
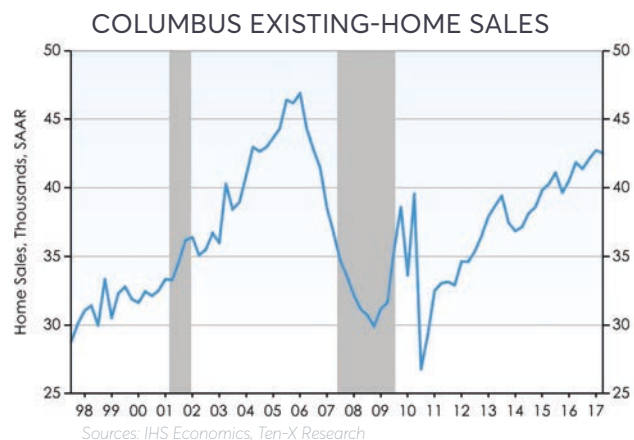
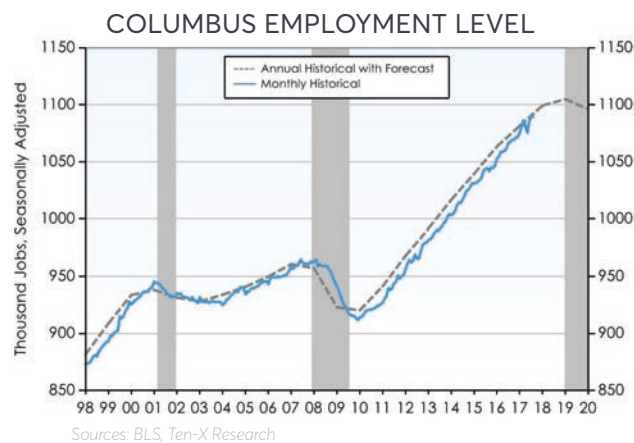


## ECONOMY

Columbus' economy continues its solid expansion with payrolls currently up 2.1% year-over-year, on par with the consistent gains seen in recent years. As the state capital, the crucial government sector has supported the metro's economy, matching the overall metro's annual job gain this past month. Columbus' prominent professional/business services, education/healthcare services, and financial services sectors have cooled somewhat in 2017 with job growth in the 1-2%. Construction/mining and manufacturing have ramped up this year to pick up some slack, recently seeing 15% and 8% annual gains, respectively. Metro unemployment has trended below the US level throughout this cycle, hovering near 4% for more than two years now. Columbus' population growth has also outstripped the national pace for the past two decades, continuing to drive housing demand by notching a healthy 1.1% gain in 2016.

## SINGLE-FAMILY

The Columbus housing market continues to make impressive progress. Though sales stepped back from their cyclical high last quarter, they remain 1.6% above their year-ago level and within 10% of their pre-recession peak. Home prices surged to an all-time high of nearly \$200,000 this quarter, up 9.2% year-over-year and 25% beyond their prior peak. Still, there is plenty of room for growth as homes remain incredibly affordable in the metro, and Columbus has displayed only modest volatility during downturns. With healthy population gains and a solid economic outlook, Columbus' housing market is poised to continue forging ahead in the coming years.



# TAMPA, FLORIDA



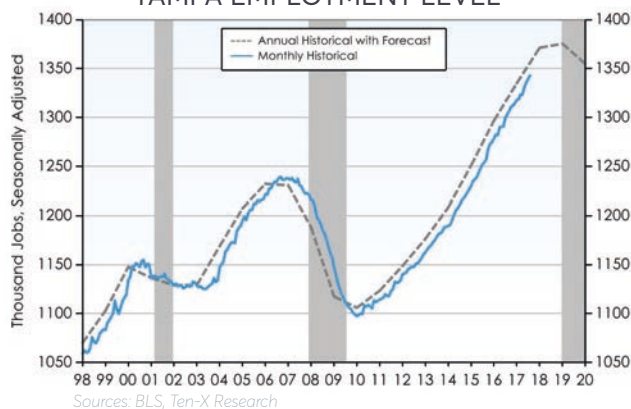
## ECONOMY

Tampa's economy has enjoyed healthy expansion for nearly six years. Metro payrolls are far beyond their prior peak, and have been growing in the 3% range year-on-year since 2015. Tampa's outsized professional/business services sector accounts for nearly one fifth of total employment and has been a key growth driver throughout the cycle, with gains recently accelerating beyond 7%, after holding in the 6% range over the prior two years. The substantial retail, financial, and leisure/hospitality sectors have been growing more moderately, with gains around the 1% mark. Tampa also has an outsized construction sector which has been seeing double-digit payroll gains since year end 2016, and the sector should continue to flourish in the wake of Hurricane Irma. Unemployment in the metro is at a cyclical low of 3.9%, down some 80 bps from a year ago. Tampa also benefits from superior demographics; the metro population grew by 2.1% in 2016, marking the third straight year of more than doubling the US average pace.

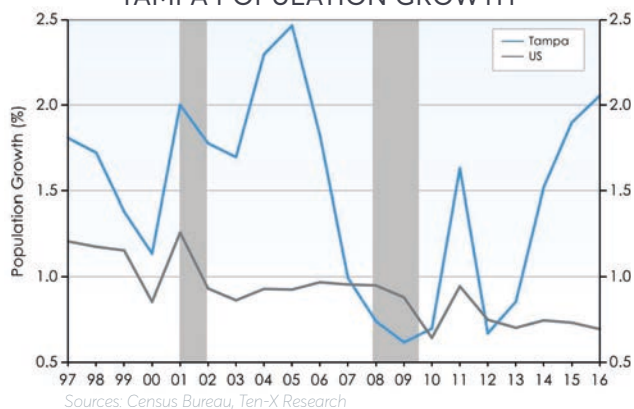
## SINGLE-FAMILY

Tampa's housing market continues to impress amid its prolonged recovery from a substantial housing bust. Home sales dipped from their cyclical high last quarter, but outpaced the US again with a 1.8% year-over-year gain and remain elevated within 20% of their bubble peak. Home prices are on fire, nearly doubling the US pace with a 12.1% year-over-year gain, the metro's 8th double digit increase in the last 9 quarters. Despite the substantial growth in recent years, home prices remain below their pre-recession peak and affordable for buyers. With robust demographic trends and a solid economic forecast, Tampa's housing market is poised for strong growth ahead. Similar to some of the Texas metros after Harvey, prices could see an additional boost in the aftermath of Hurricane Irma if available inventory tightens slightly.

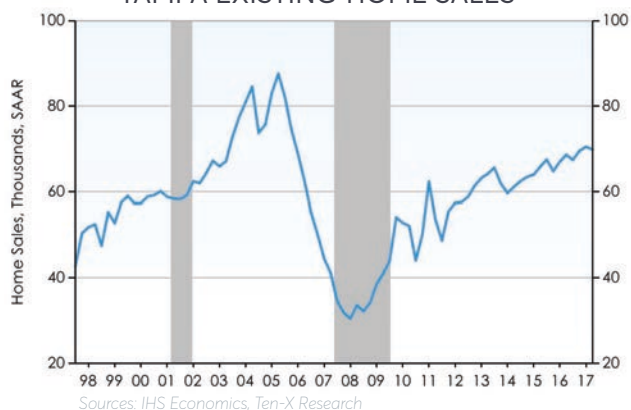
TAMPA EMPLOYMENT LEVEL



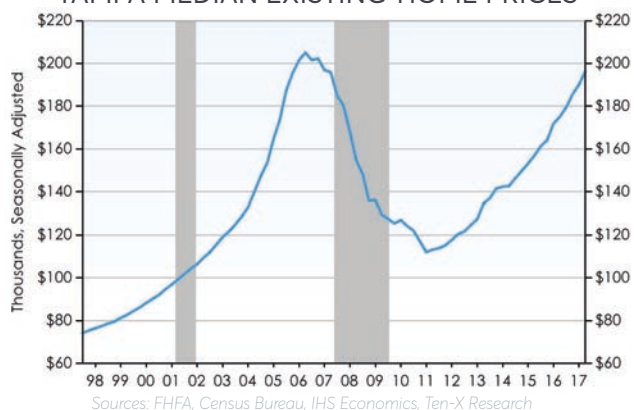
TAMPA POPULATION GROWTH



TAMPA EXISTING-HOME SALES



TAMPA MEDIAN EXISTING-HOME PRICES





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Our team of data scientists, engineers and economists delivers real-time market intelligence so you can quickly make decisions on the deals that matter most. Our data-driven approach to marketing and pricing strategy connects the right sellers with the right buyers every time.

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